

September 10, 2005

Via Electronic Filing

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Ex Parte Notice
CC Docket No. 02-6
Draft Eligible Services List for Universal Service Mechanism for Schools and Libraries

Dear Ms. Dortch:

This Ex Parte Notice is to report a telephone conference call on September 9, 2005, that included staff of the Telecommunications Access Policy Division of the Wireline Competition Bureau (Vickie Robinson and Warren Firschein), representatives of Citrix Systems (Tushar Mutreja, Senior Manager, Public Sector, and Arlo Paranhos, Senior Systems Engineer, Government, Education, Healthcare), and myself on behalf of Citrix Systems. We discussed the comments Citrix Systems filed on August 23, 2005, with respect to the draft Eligible Services List (ESL) for the Schools and Libraries funding year that begins on July 1, 2006.

Several important points were made during the call.

- In its May 8th Order¹, the Commission noted:

...if the service is an essential element in the transmission of information within the school or library, we will classify it as an element of internal connections and will permit schools and libraries to receive a discount on its installation and maintenance for which the telecommunications carrier may be compensated from universal service support mechanisms.
- The Commission has adopted a position of technology neutrality with respect to the services it supports with discounts under the Universal Service Mechanism for Schools and Libraries (the "E-rate"). Under that policy, applicants may choose wired networks or wireless; they may choose different bandwidths depending on their intended uses. Also among the choices applicants must make is the computing architecture of their networks. Many of us are used to the traditional client/server network, in which most end-user devices are full-powered computers with application software and in which most of the "computing" occurs in the end-user devices. But another alternative is server-based computing. In this architecture, application software (and Internet access) is available on

¹ Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket No. 96-45, FCC 97-157 (rel. May 8, 1997), para. 459.

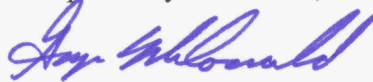
the network server, not generally the end-user devices. Network Access Software, which Citrix Systems sells, enables the end-user devices to access the applications on the network and use them. The “computing” in this architecture occurs on the network server, not the end-user devices. That means that application software is much simpler to manage and update. The network connections can be much simpler since it is keystrokes, mouse clicks, and screen updates that Network Access Software is transporting across the network. The total cost of ownership with this architecture is often much lower than with the traditional client/server network. Trying to make the most of their own resources and follow the Commission’s direction to use the most cost-effective alternative, many school districts have or wish to employ this architecture.

- In order to use this architecture, however, Network Access Software is an “essential element in the transmission of information.” Pursuant to the May 8th Order, Network Access Software is eligible under the Commission’s rules. Adding it to the Eligible Services List will make that clear to program participants and let applicants who want this architecture seek discounts on the software without fear of denial.

Mr. Paranhos explained how a network administrator could control remote access and ensure it would only be from eligible locations.

I explained the point made in the August 23rd comments from Citrix on the draft ESL about the entry on terminal servers. The networks that E-rate discounts support are often used to provide Internet access, but usually they provide access to much more, as the Wireline Competition Bureau recognized in its decision on the appeal of the Rochester Public Library². I urged that the draft list be revised to change the determination of when terminal servers would be ineligible from when they “provide access to software applications,” to when they “host software applications.”

Respectfully submitted,



George McDonald
E-Rate Central

cc (via e-mail): Ms. Vickie Robinson
Mr. Warren Firschein
Mr. Tushar Mutreja
Mr. Arlo Paranhos

² In the Matter of Request for Review of the Decision of the Universal Service Administrator by Rochester Public Library, Rochester, Pennsylvania, DA 03-182, Released January 23, 2003.